

RISK Assessment® Report



North Hills, CA 91343

Inspector - Bob Pace & Tim Gavigan
Confidential and Proprietary

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RISK ASSESSMENT[®]

Commercial Real Estate Inspectors

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This is an assessment of the five major systems - Plumbing, Electrical, Heating and Air Conditioning, Structure and Roofing along with an assessment of any other current deferred maintenance issues for the site.

This assessment will cover three aspects of these systems per industry standards, namely:

- 1. Expected useful life left in each system.**
- 2. Maintenance/Repairs that are needed immediately for each system.**
- 3. Total costs that are expected over the next five years for each system.**

Note: The cost estimates are industry standards per the *R.S. Means - 2007 Building Construction Cost Data 20th Annual Western Edition* along with review and consultation with local contractors.

Although care and thought have gone into this assessment there are many variables that can cause the actual prices to differ greatly, such as: local building ordinances, requirements, specifications and details, local demand for labor, materials, etc.

No implied warrantee is given.

No cosmetic concerns have been addressed in these estimates.

No Routine Maintenance concerns have been addressed in these estimates below \$1000.

ADDRESS:

<i>CLIENT:</i>	
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PLUMBING:

<p>1. The expected useful life left in the Plumbing System:</p> <p>The system appeared to be in overall serviceable condition at the time of the inspection and other than routine maintenance no immediate significant deficiencies or repairs were observed to be needed.</p> <p>It is noted that a sewer line camera inspection was performed. Please fully review the report before the contingency period is over.</p> <p>2. What Maintenance/Repairs are needed immediately for the Plumbing System:</p> <p>It is advised to have an approved Earth Quake Shut off valve installed on the gas system for safety.</p> <p>It is advised to have the water heater properly installed. This will involve items such as Proper earthquake bracing, and properly installed flexible connectors for the incoming and outgoing water lines.</p> <p>3. What costs are expected over the next five years for the Plumbing System:</p> <p>Other than routine maintenance no significant expenses appear to be needed over the next five years. Replacement of at least one of the water heaters should be anticipated due to age per industry standards. Expect costs of approx. \$950 - \$1,050+ for each unit replacement</p>	<p>TOTAL:</p> <p>Specialty Evaluation recommended</p>
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ELECTRICAL:

<p>1. What is the expected useful life left in the Electrical System:</p> <p>The expected useful life left of the electrical system is approximately - 10 - 20+ years if properly maintained. Note: the system overall appears to be receiving typical and routine maintenance.</p> <p>2. What Maintenance/Repairs are needed immediately for the Electrical System:</p> <p>The system appeared to be in serviceable condition at the time of the inspection and other than routine maintenance no immediate significant deficiencies or repairs were observed to be needed.</p>	
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<p>3. What costs are expected over the next five years for the Electrical System:</p> <p>The electrical system appears to be Serviceable and no major expenses are anticipated for the next five years other than minor repairs and routine maintenance</p>	<p>TOTAL:</p> <p>Routine Maintenance.</p>
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HEATING AND COOLING:

<p>1. What is the expected useful life left in the Heating and Air Conditioning System:</p> <p>The vast majority of the HVAC units on the roof are past their expected useful lives. There are a total of 27 HVAC units on the roof and of these 24 are at or past the expected useful life.</p> <p>2. What Maintenance/Repairs are needed immediately for the Heating and Air Conditioning system:</p> <p>A full evaluation is advised at this time by a qualified HVAC specialist to determine what the best course of action is for this site and the conditions present. While a full inspection by a qualified Heating and Air Conditioning specialist is recommended, replacement of many of the units if not now in the near future appears to be the most likely recommendation.</p> <p>Due to the age of most of the units, approximately 10 years or more since the date of manufacture, the presence of the coolant known as R22 is typical. This coolant is no longer allowed to be used and if repairs are needed that involve installing more coolant for any reason, replacement of the unit is usually warranted.</p> <p>Condensation lines for many of the units should be properly installed to remove moisture from the cooling system to an approved location.</p> <p>3. What costs are expected over the next five years for the Heating and Air Conditioning System:</p> <p>Anticipated replacement cost in the next five years for the units on this site is approx. \$250,000 - \$300,000+ at current costs. Due to the size of the building the need of a crane that is larger than typically used will be needed. This will add to the costs.</p> <p>Due to the extensive review needed it is not possible to determine the true costs anticipated until this is done.</p>	<p>TOTAL:</p> <p>\$250,000 - \$300,000+</p>
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ROOF:

<p>1. What is the expected useful life left in the Roofing System:</p> <p>The roofing system is at the end of its expected useful life. It exhibits weathering and deterioration to the point it is no longer a reliable moisture barrier in its present condition.</p> <p>2. What Maintenance/Repairs are needed immediately for the Roofing System:</p> <p>The roofing system is in need of maintenance and/or repairs at this time. It is advised to have the roof system evaluated by a qualified roofing contractor to determine any needed repairs to ensure a leak free condition.</p> <p>Though full review by a qualified roofing contractor is recommended at this time, it appears diligent annual maintenance will be needed for this roofing system and replacement is very likely soon and within the next five years replacement is almost assured.</p> <p>3. What costs are expected over the next five years for the Roofing System:</p> <p>It is advised to have a specialist familiar with this type of system do a full examination and give recommendations. This will be needed to determine the scope of work before pricing can be determined. The costs can vary greatly depending on the methods and materials used. Expect estimates from \$250,000 - \$350,000+</p>	<p>TOTAL:</p> <p>\$250,000 - \$350,000+</p>
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STRUCTURE:

<p>1. What is the expected useful life left in the Structural System:</p> <p>It appears that the expected useful life is from roughly 30 - 50+ years if properly maintained.</p> <p>2. What Maintenance/Repairs are needed immediately for the Structural System:</p> <p>It is advised to have a qualified seismic specialist examine the seismic retrofitting that has been done at this time to determine if it is up to the standards required at the time the work was done. This is mentioned as a precaution and not due to any significant deficiencies observed.</p>	
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<p>Due to the building having been built before the 1994 Northridge earthquake a review by the local building department is advised to see if any structural repairs or upgrades were done with the Building Department approvals due to this seismic event.</p> <p>Per disclosure at the time of the inspection seismic upgrades were done after the 1994 earthquake due to portions of the roof framing that collapsed. Full disclosure is advised along with coordination with the Department of Building and Safety to ensure all proper procedures were taken. No significant defects were observed. This is mentioned as a precaution.</p> <p>3. What costs are expected over the next five years for the Structural System:</p> <p>No significant costs are anticipated in the next five years to the Structure</p>	<p>TOTAL:</p> <p>Routine Maintenance. Specialty Evaluation recommended</p>
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GENERAL MAINTENANCE & REPAIRS:

<p>1. What is the expected useful life left in the Site:</p> <p>The expected useful life left in the site is approx. 20 - 30+ years with routine maintenance if all currently needed repairs are done now.</p> <p>2. What Maintenance/Repairs are needed immediately currently for the Site:</p> <p>The parking area is worn and aged and there are sections that are deteriorated to the point that resurfacing of the asphalt is advised at this time.</p> <p>It is advised to have the exterior of the building where needed fully patched and painted to help ensure longer lasting life and help minimize moisture intrusion. This appears to be from past moisture issues.</p> <p>The Exterior Doors are in need of some Repairs/Replacements. Full review by a qualified door specialist is advised and all needed repairs/replacements are advised.</p> <p>It is strongly advised to install protective barriers at all railings and stair areas where there are any gaps larger than 4" for safety.</p> <p>A Fire & Life Safety review by a qualified professional is needed at this time to ensure items such as emergency signs, lighting access and egress, trip hazards, etc. are addressed immediately for health and safety. A qualified Fire and Life Safety review is typically \$600 - \$800. The costs to implement the findings can't be</p>	
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determined until the review is done and the recommendations are reviewed by a qualified contractor.

Due to modifications to the site since the original construction that would typically require Building Department permits it is advised to have all paperwork reviewed by a qualified general contractor with the local Department of Building and Safety to ensure all proper procedures were taken and approved.

3. What costs are expected over the next five years for the Site:

The above repairs/upgrades are considered routine maintenance. The cost for the above listed repairs/upgrades is approx. a minimum of \$100,000 - \$150,000+ Depending on the methods and materials used

TOTAL:

\$100,000 - \$150,000+

TOTAL COMBINED ESTIMATED EXPENSES:

It is noted that in this Report a number of Specialty Inspections have been deemed necessary and are recommended.

Costs associated with the findings of Specialist Inspections can add significantly to these Total Combined Estimated Expenses.

Upgrades and renovations to interiors are not included in these costings.

Further review by qualified specialists is advised at this time to determine the full scope of work.

These estimates should be used as guidelines only.

TOTAL:

\$600,000 - \$800,000+

INSPECTION CONDITIONS

CLIENT & SITE INFORMATION:

DATE OF INSPECTION:

TIME OF INSPECTION:

10:00 AM

CLIENT NAME:

ADDRESS:

North Hills, CA 91343

INSPECTOR:

Bob Pace & Tim Gavigan

CLIMATIC CONDITIONS:

WEATHER:

Clear

TEMPERATURE:

60's

BUILDING CHARACTERISTICS:

BUILDING TYPE:

Industrial Building.

STORIES:

Two for the office areas only.

UTILITY SERVICES:

UTILITIES STATUS:

The utilities were on

OTHER INFORMATION:

OCCUPIED:

Yes

APPROX. DATE OF
CONSTRUCTION

1966 Per Disclosure at the time of the inspection.

CLIENT PRESENT:

No

GENERAL OVERVIEW:

Overall the building and its systems are Serviceable with the exception of the majority of the HVAC units which for the most part are well past their expected useful lives and the roofing which is very aged and worn and has not had the proper maintenance needed to keep it serviceable.

The property appears to have been through some renovations and modifications such as a few of the HVAC units and the plumbing supply lines. Due to alterations and modifications observed to the building a full review at the local department of Building and Safety is strongly advised to determine if all proper procedures have been addressed. This is advised by a qualified general contractor at this time.

NOTE - The original date of construction is before 1978. Due to this there are two aspects that should be taken into consideration during future upgrades or renovations: 1. The use of lead based paint was common and typical. 2. The use of asbestos materials in items such as insulation and flooring materials was common. Both items are considered hazardous materials and require specialty methods and personnel for mitigation. The ability to determine if these are present require detailed reviews by qualified professionals which is beyond the scope of a general visual inspection such as this.

Equipment, furniture and personal items are not moved during the inspection. Due to the amount of items in portions of the building the views are limited. Limited views can obscure deficiencies.

NOTE: In the Report, building orientation is established by "front, back, left and right" indications, with "Front" of the building determined by the wall containing the building's main entry door.

DEFINITIONS AND STANDARDS

TERMS OF THE INSPECTION:

SERVICEABLE:

It is the inspectors opinion that this item is doing the job for which it was intended and exhibits normal wear and tear for it's age.

NEEDS ATTENTION:

It is the inspectors opinion that this item is in need of further investigation and/or repairs or appears to be at the end of its expected useful life. The inspector has made the client aware of this situation by calling it "needs attention" in the report. It is then the clients responsibility to take appropriate action concerning the situation with the appropriate professional in a timely manner.

NOT ACCEPTABLE:

It is the inspectors opinion that this item is either in need of immediate repairs or is a safety hazard due to adverse conditions. Also the item may be in such a state of disrepair that significant repairs or replacement is strongly advised.

The inspector has made the client aware of this situation by calling it "not acceptable" and it is then the clients responsibility to take appropriate action concerning the situation with the appropriate professional in a timely manner.

STANDARDS:

A. The report conforms to the Commercial Standards of Practice of the California Real Estate Inspection Association and the Business and Professions Code which defines a commercial real estate inspection as: The inspection to be performed consists of non-intrusive visual observations to survey the readily accessible, easily visible material components, systems and equipment of the building. The inspection is designed to identify material physical deficiencies in the buildings components, systems and equipment, as they exist at the time of the inspection. Unless otherwise agreed between the inspector and client, the specific systems, structures and components of a building to be examined are listed in these Commercial Standards of Practice.

B. A commercial real estate inspection report provides written documentation of material physical deficiencies discovered in the inspected building's systems and components which, in the opinion of the Inspector, are safety hazards, are not functioning properly or appear to be at the end of their expected useful life. The report may include the Inspector's recommendations for correction or further evaluation.

The term **material physical deficiencies** means the presence of conspicuous patent defects or material deferred maintenance of the buildings material systems, components or building equipment as observed during the inspection. **This definition specifically excludes deficiencies that may be remedied by routine maintenance.**

C. Inspections performed in accordance with these Standards of Practice are not technically exhaustive and shall apply to the primary building and its associated primary parking structure.

PLUMBING SYSTEM

While some plumbing observation may be code related, this inspection does not determine if the system complies with code. Supply and waste lines are inspected only where they are accessible and while operating accessible fixtures and drains. Performance of the water flow can vary during different times of the day and performance of the drain during actual usage is undetermined. Drain blockage is common in vacant property. It is advised to have any underground drain lines examined by a specialist with a camera to determine their actual condition. The following are not included: inaccessible supply or waste lines; leaks in inaccessible areas such as walls, underground or the crawl space; the interior of pipes for mineral or corrosive clogging, water hammering, solar equipment or water temperature, and the condition of shower pans or if a shower will leak when used. No water testing of any type is performed. The type of copper is not part of this inspection and will not be determined. The gas system is not tested for leaks and any underground or hidden gas lines are specifically excluded from this report. Determining the operation of sewer ejection systems is excluded from this inspection and it should be examined by a specialist. The shutoff valves under sinks and other plumbing valves, such as the main shut off valve, are not turned or tested.

PLUMBING OVERVIEW

Overall the plumbing system, both supply lines and the waste lines, appear to be serviceable. No significant defects were observed and it appears that typical and routine maintenance is all that will be needed for the near future.

MAIN WATER SUPPLY LINE:

MAIN WATER SHUT OFF
LOCATION:

At the front of the
building.

Warehouse by the
sprinkler risers.



And on the left side of the building.



MAIN WATER LINE
MATERIAL:

The visible portion of the water main is composed of copper. This is the water supply piping that runs between the city water meter and the building.

CONDITION:

Serviceable overall.

Needs Attention:

The water line at the front right is actively leaking. Immediate repairs is advised.

PRESSURE REGULATOR
CONDITION:

There was a pressure regulator observed on the water supply system. It is not known how well or if it is functioning, as this is beyond the scope of a general visual inspection.



COMMENTS:

This component appears it has been upgraded from the original construction.

INTERIOR WATER SUPPLY LINES:

WATER SUPPLY PIPING

MATERIAL:

The interior piping that supplies the water throughout the building is made of copper where viewed.

CONDITION:

Serviceable overall.

WATER VOLUME AT

FIXTURES:

Serviceable overall.

WASTE LINES:

WASTE LINE MATERIAL:

The piping that takes the waste water to the sewer system is a combination of different materials where viewed.

CONDITION:

The visible waste lines appear to be serviceable, however the view is very limited due to the majority of the piping being either in the wall or under the building.

MAIN SEWER CLEANOUT:

A main waste line cleanout was located in the Restroom.

WASTE LINE COMMENTS:

The interior of the waste lines are not visible. A detailed investigation can only be performed by the use of an internal camera by a specialty contractor. Such an inspection is recommended at this time as only by this kind of inspection can the actual condition of the waste lines be determined.

It is noted that this camera inspection was being done at the time of the general visual inspection. See this detailed report for the overall condition of the underground sewer lines.

GAS SYSTEM:

GAS METER LOCATION:

The meter is located on the right side of the building.



GAS SYSTEM CONDITION:

Serviceable overall.

SEISMIC GAS SHUT OFF VALVE:

There is no automatic seismic gas shut-off valve on the main gas line. It is advised to have this installed for health and safety purposes.

WATER HEATER OVERVIEW:

OVERALL:

Needs Attention:

Note: there are three of them. All are in similar condition.

WATER HEATER:

LOCATION:

This is for water heater was observed in the ceiling area over the warehouse restrooms.



LOCATION CONDITION:

Serviceable overall.



FUEL:

This is a Gas water heater.

SIZE:

50 gallons.



AGE:

2011 - Water heaters have an expected life of 8 - 12 years.

CONDITION:

Serviceable overall.

Needs Attention:

There are no flexible connections at the inlet and outlet piping. This is a requirement.



COMBUSTION AIR:

Serviceable overall.

STRAPPING AND SUPPORT:

Needs Attention:

The water heater only has one strap.

The water heater bracing is not installed properly which allows for the unit to be easily shaken. This is not per state requirements. Proper bracing is mandatory for earthquake safety.

TEMPERATURE/PRESSURE
RELIEF VALVE:

Serviceable overall.

VENTING:

Serviceable overall.

COMMENTS:

The adequacy or efficiency of any hot water heater cannot be determined in a limited time visual inspection. It is not known how hot water will get or how long it will last and this is many times a matter of personal preference.

FIRE SUPPRESSION SYSTEMS

FIRE SUPPRESSION
SYSTEMS:

Appears to be
serviceable overall.

There is an inspection
sticker at the sprinkler
controls indicating the
system has had a recent
inspection.



EXTERIOR PLUMBING:

SPRINKLER SYSTEM:

Exterior sprinklers and plumbing lines are beyond the scope of a general visual inspection.

PLUMBING COMMENTS AND RECOMMENDATIONS:

WASTE LINE RECOMMENDATIONS:

The interior of the waste lines are not visible. A detailed investigation can only be performed by the use of an internal camera by a specialty contractor. Such an inspection is recommended at this time.

A detailed Sewer Line Camera Inspection was being done. It is advised to have the Sewer Line inspection report reviewed in detail to determine the true condition of the sewer lines and what is the best course of action to help ensure a properly functioning sewer line system.

GENERAL COMMENTS:

The majority of the water supply pipes, waste lines and gas lines are underground, in walls or installed in concealed parts of the structure and thus are not visible. Their condition cannot be determined and no representation is made as to their status. During the inspection a Representative Sampling of the plumbing is viewed. This is to include any limited view areas such as in a crawl space, attic, etc. This is not a detailed specialty inspection.

The adequacy or efficiency of any hot water heater cannot be determined in a limited time visual inspection. It is not known how hot water will get or how long it will last and this is many times a matter of personal preference.

ELECTRICAL SYSTEM

Electrical features are operated with normal controls. The general wiring, switches, outlets and fixtures are randomly checked in accessible areas. While some observations may be code related, this inspection does not determine if the system complies with code. The inspection does not determine electrical capacity, determining over current capacity for any item including appliances, comparing circuit breaker capacity to installed appliance listings; interior or exterior low voltage wiring or fixtures; telephone, security, intercom, stereo, cable or satellite TV, remote controls or timers. The exterior lighting, landscape lighting or any lighting outside the footprint of the building is not inspected. Light bulbs are not removed or changed during an inspection. This inspection does not certify or warrant the system to be free of risk of fire, electrocution or personal injury or death.

ELECTRICAL OVERVIEW

Overall the entire electrical system appears to be serviceable. No significant defects were observed and it appears that typical and routine maintenance is all that will be needed for the next five years.

MAIN ELECTRICAL SUPPLY:

PATH OF ELECTRICAL
SUPPLY:

The electricity is supplied by an underground line to the building.

ELECTRICAL SUPPLY
CONDITION:

Serviceable overall.

MAIN SUPPLY PANEL :

PANEL LOCATION:

In the warehouse at the
back wall.



MAIN PANEL SPEC'S:

This is a 3 phase, 4 wire system.

480Y/277 volts.

Service Amperage rating - 3000 stand up panel.



MAIN PANEL PROTECTION DEVICE:

The main panel disconnect is a lever.



BREAKER SYSTEM:

Serviceable overall.



GROUNDING SYSTEM:

The connection of the grounding wires to the grounding system is not fully visible. It should be connected to a grounding rod and/or the cold water piping system but in many cases a full view of these connections are not observable and are covered over within the building.

It is noted that the outlets of the building did test as grounded.

MAIN PANEL CONDITION:

The main service to the site is aged and may be nearing the end of its expected useful life. This appears to be the original main service to the building. While the system is generally working, review is advised by a qualified electrical contractor for safety and to determine whether repairs/improvements are necessary for the purpose of prolonging the system's useful life.

ELECTRICAL SUBPANELS:

SUBPANEL LOCATION:

There is an electrical subpanel in various areas of the property.





SUBPANEL CONDITION:

Serviceable overall.

INTERIOR ELECTRICAL WIRING:

TYPE OF WIRING CONDUIT:

The conduit that carries the wiring is rigid metal conduit where observed.



WIRING CONDITION:

Serviceable Overall.

OUTLETS:

CONDITION:

A representative sampling of outlets were tested and those that were checked were found to be overall serviceable.

SWITCHES:

CONDITION:

Serviceable overall.

FIXTURES:

CONDITION:

The fixtures observed of the property appeared to be serviceable overall.



FIRE SUPPRESSION & SAFETY SYSTEMS:

FIRE SAFETY SYSTEMS:

This type of building site is required to have certain fire safety items, such as exit signs and/or fire extinguishers. It is advised to check with the local Fire Marshal to determine if this building meets current fire safety regulations.

EXIT SIGNS:

Location and quantity of exit signs for a commercial property are beyond the scope of this inspection and require a specialty inspection to determine if all requirements are being met. It is recommended to consult with the Fire Marshal's office to determine current standards.



Exit signs do appear to be properly located and in adequate quantity.

EXTERIOR ELECTRICAL:

CONDITION:

Inspection of the exterior lighting outside the building and on the grounds is typically not part of the inspection.

ELECTRICAL COMMENTS AND RECOMMENDATIONS:

ELECTRICAL SYSTEM RECOMMENDATION:

It is advised at this time that the panels and the internal connections be cleaned and serviced due to the overall age and condition of the electrical system by a qualified electrical specialist.

This is advised due to age and not due to any significant defects observed. Low voltage lighting and wiring is excluded from a standard property inspection including outdoor lights, phone lines, security systems and speaker systems. Regular voltage exterior lighting is also excluded.

The wiring is enclosed within the walls and ceilings and other parts of the structure. It is not visible and its condition cannot be fully determined. No representation is made as to its status.

HEATING AND COOLING SYSTEM

While some observations may be code related, this inspection does not determine if the system complies with building codes. Weather permitting a representative sampling of the systems are operated with normal controls. In order not to damage the system, the air conditioners are not activated if the outdoor temperature is below 65 degrees. Gas furnaces are not checked for carbon monoxide leakage or fire risks. There are carbon monoxide and fire detection devices which can be purchased and installed, which we recommend. Air ducts and registers are randomly checked for air flow. Heat exchangers are specifically excluded from the inspection, due to being visually obstructed by the design of the system and a complete inspection requires special tools and disassembly, which is beyond the scope of the inspection. The following are additional items that are beyond the scope of the inspection: balance of the air flow, capacity or velocity of the air flow, humidifiers, air duct cleanliness, the ability of the system to heat or cool evenly, the presence of toxic or hazardous material or asbestos, system refrigerant levels, cooling or heating capacity to determine if its sufficient for the building, electronic air filters, solar equipment and programmable thermostats. Units that are shut down with not be tested or operated. Determining the remaining life of the system is based on industry standards. Window A/C's are not built in units and therefore not usually inspected.

HVAC OVERVIEW:

Needs Attention:

Due to the age of the units, approximately 10 years or more since the date of manufacture, the presence of the coolant known as R22 is typical. This coolant is no longer allowed to be used and if repairs are needed that involve installing more coolant for any reason, replacement of the unit is usually warranted.

Replacement should be expected in the near future per industry standards due to age for most of the units. Most of the older units manufactures tags were no visible due to either being painted over or weathered.

Per industry standards the expected useful life of a unit such as this is approx. 15 - 20 years depending on the frequency and quality of maintenance. Quarterly maintenance is recommended for optimum operation and longest lasting life. The vast majority of the units appear to be well past the expected useful life.

There are 27 different units/systems viewed on the roof. Of these almost all are past the expected useful life.

EQUIPMENT SUMMARY:

From left to right for the lower section the different HVAC units age, size and any issues observed:

1. Heat pump unit from 2008. This is a five ton unit. Unit #13.
2. Roof package unit that is very old and appears to be approx. a 4 ton system. It is rusted and the condensate line is disconnected. Unit #12.
3. Roof package unit that is old and appears to be approx. a 3 ton unit. The condensate line is disconnected. The condensate line is disconnected.
4. Heat pump unit that is new. 3 ton unit with no condensate line. Unit # not present.
5. Heat pump unit that is old. Appears to be a 4 ton unit. Rusted with the condensate line



disconnected. Unit
#15.

6. Roof package unit.
Old with the gas off and
the condensate line
disconnected. Unit
#14.

7. Heat pump unit that
is old and sitting on
blocks. Appears to be
approx. a 3 ton unit.
Unit #17.

8. Heat pump unit that
is old. Appears to be
approx. a 3 ton unit
sitting on blocks. Unit
#16.

9. Roof package unit.
The gas is off. It is
older and appears to be
approx. a 4 ton unit. It
is sitting on blocks and
the fins are damaged
and deteriorated. Unit
#20

10. Roof package unit
that is old and sitting on
blocks. Appears to be a
5 ton unit. Unit #21.

11. Hp. Old. 4t? #21

12. Roof package unit
from approx. 1989.
Rusted and appears to
be approx. 3 tons. Unit
22.

13. Roof package unit
from 1997. This is a
five ton unit.

14. Heat pump unit
from 2018. Condensate
line has not standard
trap. Unit #??

15. Heat pump, old,
approx. 3 tons.
Condensate line has no
trap. Unit # 25.Hp.

16. Heat pump; unit

old. Approx. 3 tons.
Unit #6.
17. Roof package unit.
Older appear to be a 5
ton unit. No
condensate trap. Unit
#7 Rp. Old. 5t?
18. Heat pump unit.
Old, appears to be 5
tons. No standard
condensate trap. Unit
#8 Hp. Old. 5t?
19. Heat pump unit
from 2005. Appears to
be a 5 ton unit. No
condensate trap. Unit
#24.
20. Heat pump from
2012. 2.5 ton unit. No
condensate trap. Unit
#9
21. Heat pump unit that
appears to be from
either 2005/07. Five
ton unit. Unit #5.
22. Heat pump unit.
Older, appears to be a 4
ton unit. No
condensate trap. Unit
#2.
23. Heat pump unit
from 2003? Appears to
be a 3 ton unit. No
condensate trap.
Unit#??
24. Roof package unit.
Older, appears to be a 5
ton unit. No
condensate trap. Unit
#3.
25. Roof package unit
that is older. Appears
to be a 5 ton unit. No
condensate trap. Unit
#4.

Upper section.

1. Roof package unit from 1984. This appears to be a 7.5 ton unit. The fins show damage and age. Also there is no condensate trap. .

2. Reznor boiler connected to a refrigerant unit. This is a large system. The Reznor component is old. The refrigerant unit appears to be from 2011. After consultation with my HVAC professional this is called a **"built up double duct system."** The Reznor portion appears at or near the end of it's expected useful life.



SYSTEM

LOCATION:



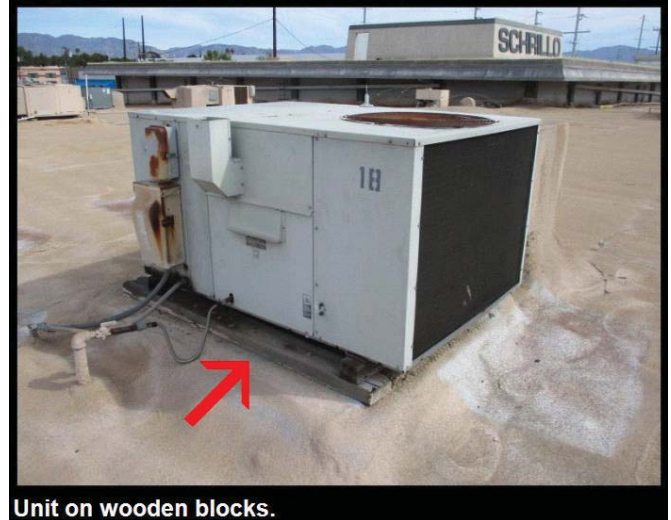
Typical views of older units.

The heating and cooling units are located on the roof.

LOCATION CONDITION:

Needs Attention:

Some of the units are sitting on wooden blocks. This is not a reliable method regarding moisture intrusion. It is advised to have platforms with metal caps installed to help ensure a leak free condition.



SYSTEM TYPE:

There is a mixture of two types of unit. Approx. half of these heating and cooling systems for the building are known as "Roof Packages". This is the type of system where the gas heating furnace and the electric air conditioning (cooling) components are packaged inside one container and perform both functions from this common location on the roof.

For the others the systems are a heat pump type system. This is an all electric system that has a condenser that pumps the refrigerant in one direction to cool the building and then reverses it to heat.

SYSTEM AGE:



The units are various ages and conditions however for the most part these are very aged and worn and past the expected useful life.

CONDENSATE LINE:

Needs Attention:

For some the condensate line is disconnected / damaged. The line should be properly installed to remove moisture to an approved drain.

For some the condensate line(s) are not properly installed. There are missing traps, the lines do not drain to an approved drain or the lines are missing or damaged. Repairs are needed.



Condensate line lacking proper trap.

DUCTING:

Most of the ducts are in the ceiling or hidden and not accessible or fully visible.

ELECTRICAL DISCONNECT:

Serviceable Where Viewed.

HVAC SYSTEM CONDITION:

Needs Attention:

The heating and cooling system is aged and worn for the most part. While many of the units may still be functional and working, it is noted that this type of system has a life expectancy of approx. 15 - 20 years. Depending on the quality of maintenance, the system is at or for many well past this age.

HEATING AND COOLING COMMENTS:

RECOMMENDATIONS:

It is advised to have each unit serviced and cleaned at this time to ensure safe and proper function along with any needed repairs done. It is beyond the scope of this general visual inspection to inspect the inner workings of any system. This servicing should be done by a licensed Heating and Cooling specialist at this time.

It is advised to consult the current owner to determine the maintenance history at this time.

Due to the overall condition, replacement should be anticipated at this time or in the near future for the vast majority (24 of the 27 units observed).

GENERAL COMMENTS:

It is advised to keep all units properly serviced and maintained. Proper service and timely repairs can significantly increase the normal expected, industry standard service life.

Per the California Energy Commission, "Beginning October 1, 2005, Title 24 of the Building Energy Efficiency Standards requires that ducts be tested for leaks when a central air conditioner or furnace is installed or replaced. Ducts that leak 15% or more must be repaired"

A property inspection will not be able to determine if this air loss exceeds the maximum allowed of 15%. This test can only be done by a qualified technician and is beyond the scope of this inspection. It is advised to consult with a qualified specialist on this matter as the examination may determine that repairs or replacement of the ducting system is required.

ROOF SYSTEM

The report is not intended to be conclusive regarding the life span of the roofing system, if it is leak free or how long it will remain leak free in the future. The inspection and report are based on visible and apparent condition at the time of the inspection. The inspection does not address manufacturing defects, fastener appropriateness, if the roof was installed per code, if flashing is present in all locations or the numbers of layers present. Unless a rain has fallen just prior to the inspection, it is not possible to determine if active leakage is occurring. Not all attic areas are readily accessible for inspection. Tile roofs and steeply pitched roofs are not safe to walk on and access is limited on them. Conclusions made by the inspector do not constitute a warranty, guaranty, or policy of insurance. All roofs require periodic maintenance to achieve typical life spans and should be inspected annually. Expect to make minor repairs to any roof.

While it is possible some prior repairs and leaks may be reported, it is not the intention of the inspection to identify and report all prior repairs and conditions. It is recommended to refer to the seller and sellers disclosure about the presence of any roof leaks or prior repairs. Also it should be noted that all gutters have rust and have a limited life span before they need to be replaced.

ROOF OVERVIEW:

Though the roofing materials show typical wear it is nearing the end of it's expected Serviceable Life. This means that maintenance will be needed on a more regular basis to help maintain a leak free condition.

The roofing is Aged and Worn.

Though full review by a qualified roofing contractor is recommended at this time, replacement of the existing roof system is advised.

ACCESS TO ROOF:

ACCESS TO ROOF:

Access to the roof is via a ladder that is accessed inside the building.



ACCESS CONDITION:

Serviceable overall.

Needs Attention:

The ladder has rungs that are larger than 1 1/2" which is not recommended.

Modification is advised for safety.



HOW ROOF ACCESSED:

The roofing was walked on to inspect it.

ROOF:

ROOF STYLE:

The roofing system has a Low Slope to it. This means that the slope of the roof appears to be no more than 2" of rise for every 12" of horizontal measurement.



TYPE OF ROOFING
MATERIAL:

The roof has a spray on insulation material that has been covered with a reflective surface. This surface serves as insulation and water proofing.



ROOF COVERING STATUS:

Needs Attention:

There are areas of wear and deterioration to the roofing material.



Needs Attention:

There are bubbled and uneven areas of roofing material. This is an indication that some moisture has gotten under the material.





**PARAPET WALL
CONDITION:**

Needs Attention:

**The roofing material
along the parapets is
showing signs of
general wear and age.**

ROOF DRAINAGE:



DOWNSPOUT CONDITION:

Not Acceptable:

The downspouts are missing and the water will flow uncontrolled.



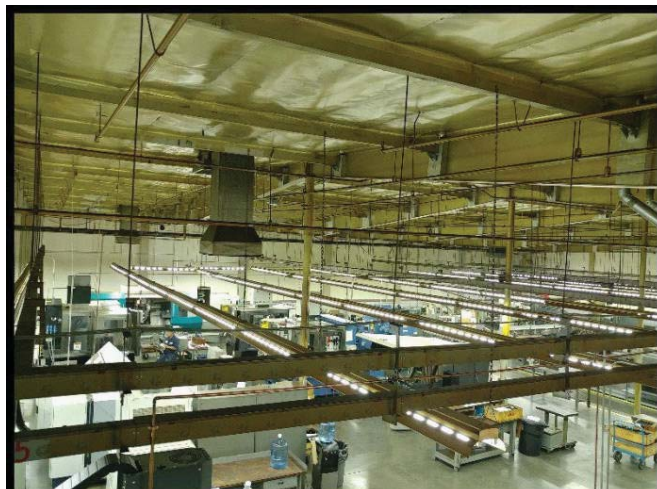
Disconnected downspout.



ROOF FRAMING:

TYPE OF ROOF FRAMING:

The roof is supported by structural beams, posts and cross supports.



Typical view.

ROOF FRAMING
CONDITION:

The roof framing
condition appears
serviceable overall.

Seismic upgrades were
observed.



ATTIC:

AREA OF ATTIC:

There is no attic space between the ceiling and the roof.

ROOF COMMENTS AND RECOMMENDATIONS:

RECOMMENDATIONS:

Review by a qualified roofing contractor at this time is needed to determine exactly what is needed to help ensure a leak free condition. All needed repairs should be made at this time.

It is advised to have a qualified technician examine the system and perform any maintenance or repairs that are needed at this time.

COMMENTS:

It is advised to obtain the roofing Maintenance History for the site. This is to help determine the quality of maintenance along with this can be a very strong indicator as to how well the site performs during rains. The quality of maintenance can allow a roofing system to perform well past industry standards regarding typical useful life. Industry wisdom is to have all roofing systems inspected every year and for any maintenance or repairs to be done by a qualified professional to help maintain a leak free condition.

California usually has seasonal rains which typically occur near the end and the beginning of each calendar year. Occasionally, the rainfall is exceptionally high. In recent years Southern California has been going through a drought. During drought periods many conditions visible following rains do not appear. The duty of a building inspector is to disclose visible conditions present at the time of the inspection. If a condition is not visible, it cannot be reported. All roofing systems require regular routine maintenance. It is advised to ensure that the roofing system receives regular routine maintenance.

Per disclosure at the time of the inspection seismic upgrades were done after the 1994 earthquake due to portions of the roofing framing collapsed. Full disclosure is advised along with coordination with the Department of Building and Safety to ensure all proper procedures were taken. No significant defects were observed.

STRUCTURAL SUPPORT SYSTEM

Structural comments are of the conditions observed at the time of the inspection and are the opinion of the inspector and not fact. If further information or facts are needed, they can be obtained through a structural engineer or foundation expert. The inspection does not determine the potential of the structure to experience future problems, geological conditions or the potential of the underlying soils to experience movement or water flow or whether the soil is stable. If any form of prior structural movement is reported you should expect future movements and possible repairs.

The inspection does not calculate crawl space ventilation capacities, deck and balcony capacity, retaining wall conditions, construction material type, quality or capacity. It does not address the existence of prior repairs, the potential of future repairs, failure analysis, documentation of all possible movement or cracks in floor slabs covered by floor furnishings. It is typical for concrete floor slabs to have some hairline cracks as a result of the normal drying process of the concrete plus the stress occurring by settlement and seismic activity. Crawl spaces are observed in a cursory fashion and wood probing is not done and wood damage, dryrot and termites are not part of this inspection but part of the structural pest control operators report.

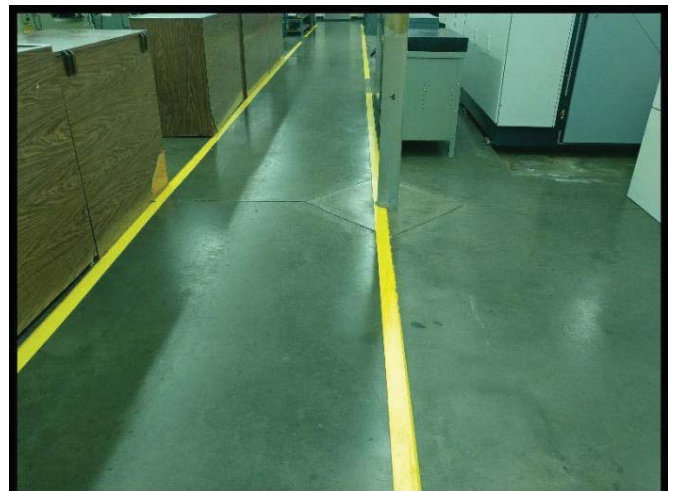
STRUCTURAL OVERVIEW:

Overall the structure appears generally serviceable exhibiting typical wear.

STRUCTURAL FOUNDATION SYSTEM:

DESCRIPTION:

The building is supported by a slab foundation system.



Typical warehouse views.

SLAB FOUNDATION:

SLAB ON GRADE:

Serviceable.

Note: due to the amount of stored items the views are limited.



STRUCTURAL WALL SYSTEM:

This is a concrete tilt up (CTU) building.



**EXTERIOR WALLS
CONDITION:**



Serviceable overall with Typical Wear

INTERIOR WALL
CONDITION:

Serviceable overall.

FRAMING CONDITION:

Serviceable overall.

EXTERIOR

The exterior is viewed in a cursory fashion. Areas of the exterior that are hidden from view by vegetation or stored items cannot be judged and are not a part of this inspection. Minor cracks are typical in many exterior wall coverings and most do not represent a structural problem. Peeling and cracking exterior paint on windows, doors and trim allow water to enter and cause damage and deterioration. It is important to keep these exterior surfaces properly painted and/or sealed. Many times chimneys have hidden undisclosed cracks that cannot be seen. A chimney specialist inspector should be employed to determine the true condition of the structure of any chimney as it is beyond the scope of this inspection to determine damage to chimneys. All exterior grades should allow for surface and roof water to flow away from the foundation and exterior walls.

EXTERIOR OVERVIEW:

Overall the exteriors are generally serviceable exhibiting typical wear.



EXTERIOR COVERING OF THE BUILDING:

MATERIAL:

Concrete Tilt Up construction.



CONDITION:

Serviceable.

It is advised to have the sprinkler system fully reviewed and for all repairs to be made to ensure that water is not hitting the building. This may involve some "drip" type portions of the system closest to the building.



ADDITIONAL NOTES:



EXTERIOR TRIM:

MATERIAL:

The exterior trim surfaces are metal.



CONDITION:

There are 2 Downspouts that need reinstalled.

EXTERIOR WINDOW SURFACES:

MATERIAL:

The exterior window surfaces are metal.



CONDITION:

Serviceable overall.

EXTERIOR DOOR SURFACES:

MATERIAL:



CONDITION:



Needs Attention:

There are areas of deterioration to the exterior of the doors.

PATIO COVER/TRELLIS:

TYPE:

The patio cover is an open framework design



CONDITION:

Serviceable overall.



EXTERIOR COMMENTS AND RECOMMENDATIONS:

EXTERIOR
RECOMMENDATIONS:

It appears only typical and routine maintenance will be needed.

COMMENTS:

This inspection is not a structural pest control inspection, otherwise known as a termite inspection. The "termite" inspection also covers such things as dry rot and wood damage and deterioration as well as wood destroying organisms. Any and all of these items need to be examined and any repairs completed by the "termite" company in a timely manner and they usually have a guarantee on their work. Please refer to the structural pest control report for any information concerning them

This is not a mold or fungus inspection, it is therefore advised to have a mold specialist examine the property and structure and do a complete inspection to determine the presence or not of any mold that may affect the health or safety of the occupants.

GROUNDS

This inspection is not intended to address or include any geological conditions or site stability information. For information concerning these conditions, a geo-technical engineer should be consulted. Proper grading is important to keep water away from the foundation. If it is not raining during the inspection the course of water flowing toward the structure or off the site cannot be observed. The soil should slope away from the structure to prevent problems caused by excess water not flowing away properly. Gutter discharge should be directed away from the foundation for the same reason. Out buildings, such as storage sheds, on the property are excluded from the inspection. Fire pits, a B.B.Q. and other similar items are not inspected nor is the gas to them tested or lit.

This inspection is visual in nature and does not attempt to determine drainage performance of the site or the condition of any underground piping, including municipal water and sewer service piping or septic systems. Landscape lighting, sprinklers and their timers are not part of a general property inspection. The inspection report does not include the identification of the property boundaries.

GROUNDS OVERVIEW:

Overall the grounds are generally serviceable, however there are some areas in need of repairs or maintenance at this time.

Specifically the Parking lot.



MAIN ENTRY:

CONDITION:

Serviceable.



WALKWAYS:

CONDITION:

Serviceable.



PARKING AREA:

DRIVEWAY:

Serviceable.



PARKING LOT:

Front visitors lot is serviceable overall.



EMPLOYEE LOT:



The parking for the site is in an asphalt parking lot. There are striped spaces.

Needs Attention:

The parking area asphalt has areas of wear, weathering and

deterioration to the point that resurfacing should be strongly considered.



PROPERTY WALLS, FENCES & GATES:

CONDITION:

Serviceable.



Serviceable.



LANDSCAPING:

CONDITION:

The grounds on the property need minor maintenance in some areas.



DRAINAGE:

SITE:

Relatively flat site.

DRAINAGE CONDITION:

A camera drain line inspection can examine the interior of most drain lines and determine their condition. It is also recommended to consult with the owner for a history of the performance of all drains during periods of heavy rainfall.

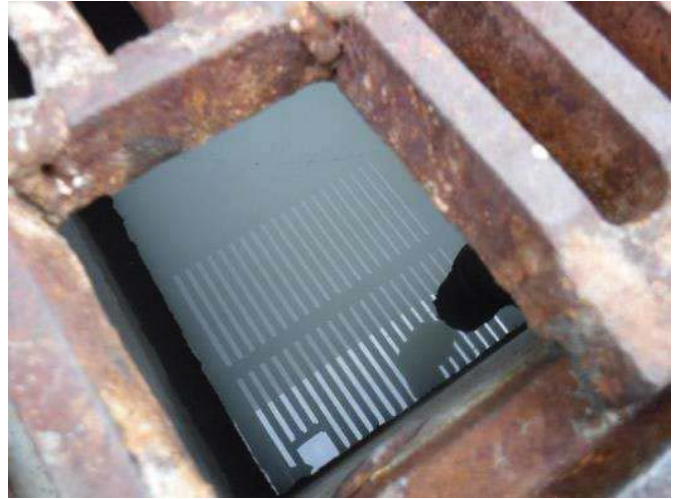
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Plants are growing out of the drains.



Needs Attention:

There appears to be a pollutant in the area drain. (Located in the back near the gas main)



COMMENTS:

Determining the adequacy of the grounds to shed water and prevent moisture intrusion into the structure is beyond the scope of the inspection. It is advised to obtain the history of any drainage problems and monitor the site regarding water run-off and drainage in general.

This inspection does not address drainage issues further than 6 feet from the building. Additionally drainage systems that are not visible such as underground systems are not evaluated or inspected. If more information is required it is advised to consult with a qualified general contractor who specializes in drainage systems.

GROUND COMMENTS:

GROUND

RECOMMENDATIONS:

Just as a mention; The back property line is adjacent to Rail property. On which there are about a dozen or so homeless camping right up against the property wall. As this is not city property the local police may not have any real jurisdiction.



GENERAL COMMENTS:



There are areas of storage noted around the property of petroleum and/or other chemical products generally deemed hazardous or of environmental concern.





Low-voltage systems such as phone, cable, internet or grounds lighting on the site are not part of the real estate inspection.

This report does not include identification of property boundaries. If this information is desired, it is advised to consult with a qualified professional.

California usually has seasonal rains which typically occur near the end and the beginning of each calendar year. Occasionally, the rainfall is exceptionally high. In recent years Southern California has been going through a drought. During drought periods many conditions visible following rains do not appear. The duty of a building inspector is to disclose visible conditions present at the time of the inspection. If a condition is not visible, it cannot be reported.

INTERIORS

As a general rule, cosmetic deficiencies are considered normal wear and tear and are not reported. The condition of walls behind wall coverings, paneling and furnishings cannot be judged. Minor cracks are found on interior surfaces in all buildings and are typically cosmetic in nature. The condition of floors underneath carpet, furniture and other coverings cannot be determined and is specifically excluded from the inspection and report. Only the general condition of visible portions of floors is included in this inspection.

INTERIOR AREAS:

OVERALL:



The office space is typical for the most part with carpet flooring and drywall/plaster walls.

While the interiors of the building have not received much recent maintenance and/or upgrades, they are in an overall serviceable condition with typical wear for such commercial structures.

PICTURES:



ENTRY:



Serviceable overall.

MAIN ENTRY DOOR:

Serviceable.

ELEVATOR

NONE. No ADA access to the 2nd floor.

HALLWAYS:



Serviceable overall.

STAIRWELLS:



Serviceable overall.

STAIR CONDITION:



Serviceable overall.

RAILING CONDITION:



Needs Attention:

The space between the rails is greater than is currently recommended for child safety. The railings should not have any space greater than four inches in any portion of them.

The railing does not return to the wall but stops with the end of it exposed. This is considered a safety hazard as the end of

it could catch a garment or handbag and cause someone to trip or fall.

EXIT SIGNS:



Location and quantity of exit signs for a commercial property are beyond the scope of this inspection and require a specialty inspection to determine if all requirements are being met. It is recommended to consult with the Fire Marshal's office to determine current standards.

Exit signs do appear to be properly located and in adequate quantity.

OFFICE AREAS:

OFFICE AREAS:



The surfaces and finishes of the office areas of the building appear generally serviceable, with typical wear to walls and flooring.



WAREHOUSE

WAREHOUSE AREAS:

The warehouse area is generally serviceable overall with typical wear.



Such as typical cracking in the slab.



ROLL UP DOORS:



Serviceable.

KITCHENS:

KITCHEN FACILITIES:



The kitchen is generally aged, but remains serviceable.



Needs Attention:

The water supply piping does not appear to provide any flow of water.

RESTROOMS:

INTERIORS:



The interior surfaces, such as the walls, ceiling and such were found to be serviceable.



RESTROOMS:

INTERIORS:



The restrooms in the production floor area is generally serviceable however there are areas with noticeable wear.



RESTROOM FIXTURES:

Needs Attention:

The sink faucet does not appear to provide an adequate flow of water.

(men's room warehouse)



RESTROOMS:

INTERIORS:



Needs Attention:

Though outside the scope of a general visual inspection the bathrooms do not appear to be up to current ADA requirements. This is mentioned as a courtesy however further review by a qualified ADA specialist is advised to determine the best course of action for this site.

The doors into the 1st & 2nd floor office area rest rooms are less than 36"

The Warehouse production area's restrooms have no ADA facilities.



FLOORS:

FLOORING CONDITION:

Offices were serviceable with typical wear.



FLOORING COMMENTS:

Warehouse was serviceable with typical wear.



WALLS AND CEILINGS:

CEILINGS:



Needs Attention:

There are some stained areas of the ceiling.

2nd floor offices and storage areas.

Serviceable overall.

Yet there was evidence of moisture leakage throughout the warehouse areas.



WALLS:



Needs Attention:

There are areas of moisture staining and or damage on the walls of the warehouse areas.

PICTURES:



This is apparently coming from the roof.

FIRE SAFETY SYSTEMS:

FIRE SAFETY COMMENTS:

This type of building site is required to have certain fire safety items. These are items such as exit signs and fire extinguishers. It is advised to check with the local Fire Marshal to determine if this building meets current fire safety regulations.

INTERIOR COMMENTS AND RECOMMENDATIONS:

GENERAL COMMENTS:

This is a general visual inspection, there was no destructive or intrusion testing performed. The intention of this report is to inform the client of the overall condition of the property.

It is typical when a building is remodeled or repairs are undertaken that additional problems surface that were not noted on the inspection report. This is to be expected as walls, floors and ceilings are opened up during the work to reveal areas that were not accessible during the inspection. Any remodeling work undertaken on a property should be expected to reveal some of these problems and it is recommended that additional sums be set aside for this purpose.

Units

INTERIOR COMMENTS AND RECOMMENDATIONS:

GENERAL COMMENTS:

This is a general visual inspection, there was no destructive or intrusion testing performed. The intention of this report is to inform the client of the overall condition of the property.

It is typical when a building is remodeled or repairs are undertaken that additional problems surface that were not noted on the inspection report. This is to be expected as walls, floors and ceilings are opened up during the work to reveal areas that were not accessible during the inspection. Any remodeling work undertaken on a property should be expected to reveal some of these problems and it is recommended that additional sums be set aside for this purpose.

INSPECTION LIMITATIONS

SPECIFIC EXCLUSIONS AND LIMITATIONS:

OUR GOAL:

Our Goal is to enlighten you as to the condition of the property by identifying material defects that would significantly affect the property and therefore your decisions concerning it. We strive to add significantly to your knowledge of the building. **Thus the goal is not to identify every defect concerning the property but focus upon the material defects and thereby put you in a much better position to make an informed decision.**

GENERALIST VS. SPECIALIST

A property inspector is a generalist and the inspection is conducted along generalist guidelines as listed above. The generalist job is to note material defects in the property he is inspecting. When he observes and finds one or more problems in a system of the property that affects its performance he may then refer the entire system over to a specialist in that field for a further detailed investigation. The specialist is expected to conduct a more detailed examination on that system from his specialist sphere of knowledge and training to determine all the problems with the system and the related costs of repairs. The specialist is inspecting from a depth of knowledge and experience that the generalist does not have.

REPRESENTATIVE SAMPLING:

The building has many identical components such as windows, electrical outlets, etc. We inspect a representative sampling of these only. We do not move any furniture or personal belongings. This means that some deficiencies which were there may go unnoted or there may be items which are impossible to anticipate. We suggest that you plan for unforeseen repairs. This is part of property ownership as all buildings will have some of these repairs as well as normally occurring maintenance.

USE OF THE REPORT:

The inspection report does not constitute a warranty, insurance policy or guarantee of any kind. It is confidential and is given solely for the use and benefit of the client and is not intended to be used for the benefit of or be relied upon by any other buyer or other third party.

PRE-INSPECTION AGREEMENT:

Terms and conditions crucial to interpretation of the report are contained in a separate pre-inspection agreement. Do not use this report without consulting the pre-inspection agreement as use of this report constitutes the acceptance of all the terms, conditions and limitations in that agreement.

MOLD, MILDEW AND FUNGI:

Mold, mildew and fungus are specifically excluded from the inspection and the report. The inspector is not qualified to note the presence or absence of mold. Mold can be a serious problem and should not be overlooked. The structure should be inspected for mold during the inspection contingency period by a specialist in this field to ensure that this hazard does not exist.

WOOD DESTROYING ORGANISMS:

Termites, dry rot, wood rot and wood destroying organisms are covered by a structural pest control operator's report. These are not part of the inspection and the inspector will not be inspecting for them. The Business and Professions Code prohibits anyone but licensed structural pest control operators from commenting on this subject.

BUILDING CODES:

This is not a building code or code compliance inspection. That is a different type of inspection performed by the local municipality, usually during construction. It is advised to obtain all available documentation such as building permits and certificates of occupancy during the inspection contingency period.

HAZARDOUS SUBSTANCES:

Identifying hazardous substances is not part of this inspection. Items such as formaldehyde, lead based paint, asbestos, toxic or flammable chemicals and environmental hazards are not tested for and are not within the scope of the inspection.

INSPECTION LIMITATIONS:

This is a limited time visual inspection. It excludes any items we cannot directly observe such as chimney interiors, furnace heat exchangers, underground piping, etc. These are specialty inspections and those inspections can be arranged using specialized equipment.

Additionally we do not inspect to see if components are installed properly. We do not have the specialized training, instruction sheets or manuals to determine if they meet manufacturer's or building code requirements for installation, which can be quite varied. This is part of the specialist's inspection and any questions concerning installation would best be answered by the specialist